

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.

GARY R. HERBERT Lieutenant Governor

August 26, 2005

Van Falls Levin Stone Company Box 95 Ash Fork, Arizona 86320

Subject: Second Notice - Delinquent Permit Fees - Further Mining is Suspended

Dear Mr. Falls:

The Division has not received the annual permit fee payment(s) for the 2005 fiscal year, which were due on or before July 29, 2005 (see R647-2-101.6, R647-3-1-1.7, and R647-4-101.5). Non-payment of permit fees is a violation of the Minerals Regulatory Program and suspends an operator's authorization to conduct exploration or mining operations. **YOUR**AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS

SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED. Permit fees are required until the site has been fully released in writing by the Division.

We have enclosed a "Delinquency Notice" billing statement along with this letter. Please return the bottom portion of your billing statement to ensure the payment is posted to the correct account. Operations may resume upon our receipt of the required fees. If you have already sent in your payment, please accept our thanks and disregard this notice.

The Division will allow you until September 9, 2005 to pay the delinquent permit fees before issuing a Notice of Violation for non-payment, which will carry a fine and penalty. Continuing mining activities before the fee is paid will result in a Cessation Order which carries a separate fine and penalty. Please be advised that fines and penalties are assessed for each separate violation.

We hope to avoid taking any enforcement action regarding the fee payments. Please: 1) submit your payment by September 9, 2005; 2) check the box, if the site is fully reclaimed and revegetated, thereby requesting a site inspection to close the file; or 3) contact me immediately at (801) 538-5358 or Joelle Burns at (801) 538-5291.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

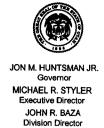
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SMW:jb

Enclosure: Delinquency Notice

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State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-358-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

LEVIN STONE CO BOX 95 ASH FORK AZ 86320

ATTENTION: VAN FALLS

	ATTENTION: VAN FALLS			
DELINQUENCY NOTICE	Annual Permit Fees (July 2004 thru June 2005)			
PROJECT NAME	PROJECT ID	ACRES	BILLING DATE	
LEVIN STONE 4	S270086	NA	06/28/2005	
PERMIT TYPE	PROJECT STATUS		ANNUAL FEE	
SMALL MINING OPERATION < 5 ACRES	INACTIVE		\$ 150	
			<u>. </u>	
		UE DATE	AMOUNT BUE	
		UE DATE	AMOUNT DUE	
	09/0	9/2005	\$ 150	

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED		PROJECT NAME		PROJECT ID	
LEVIN STONE CO		LEVIN STONE 4		S270086	
DUE DATE ANNUAL FEE	AMOUNT DUE	FEE NOT ENCLOSED	Change of Address Contact		
09/09/2005 \$ 150	\$ 150	Permittee requests an inspection to close			
TAX ID OR SOCIAL SECURITY #		out this permit.	Address		
DIVISION OF OIL		· · ·	E-mail address		
PO BOX 145801 SALT LAKE CITY			State Phone	Zip	

Please make check payable to:
Division of Oil, Gas and Mining